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1 Massachusetts, Inc., was ever in Israel, you just mixed  
2 them up because there's so many of them; is that correct?

3 A. Yes. I suspect that this piece of paper that  
4 you showed me before about -- that said Interface Group  
5 and it was from Hananel, I hope you're not going build --  
6 maybe I should hope you do it, because your whole case  
7 would be thrown out if you did it.

8 Q. Your case would be thrown out?

9 A. Your case would be thrown out, your defense. If  
10 you're going to say that one piece of -- here it is. One  
11 piece of paper means that we were doing business in  
12 Israel. I could show you the check that we were paid to  
13 sell this company. We sold it.

14 Q. When you say "this company," could you name the  
15 company?

16 A. The Interface Group Conference and Exposition  
17 Producers.

18 Q. Is that a corporation?

19 A. I don't know.

20 Q. It doesn't say corporation anywhere --

21 A. Whether or not it's a corporation is not proven  
22 or disproven by whether or not the word I-N-C or  
23 corporation is or is not used on a piece of stationery.  
24 That's clearly and unquestionably outdated, should never  
25 have been in Israel in the first place.

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1 Q. You own the company that had a branch office in  
2 Israel?

3 A. Yes. No, I did not. The reason why it was  
4 called partners, there were several people that were --  
5 we called ourselves partners rather than shareholders.  
6 That's why it was called that.

7 Q. But it was a corporation, and who owned the  
8 shares?

9 A. Me and three other people.

10 Q. And who -- did you have less than 51 percent?

11 A. No. Yes. No, I'm sorry. Sorry. I own more  
12 than 51 percent.

13 THE WITNESS: Can I take a ten-minute break?

14 Can I take a ten-minute break, please?

15 MR. HAMILTON: Sure. It just comes off the  
16 time for all of us.

17 THE WITNESS: Okay. It comes off.

18 (Recess taken at 3:25, resuming at 3:37.)

19 Q. (By Mr. Hamilton) Who made all the decisions for  
20 the company that had a branch office in Israel?

21 MR. LEVY: When?

22 MR. HAMILTON: At any time.

23 THE WITNESS: And what decisions?

24 MR. LEVY: I've going to object to the form of  
25 the question.

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1 Q. (By Mr. Hamilton) Were there any decisions made  
2 that you did not make yourself?

3 A. Sure.

4 Q. By whom?

5 A. Hananel.

6 Q. Anyone else?

7 A. No. During what period?

8 Q. At any time.

9 MR. LEVY: In the history of the company did  
10 anybody make a decision?

11 MR. HAMILTON: In Israel.

12 THE WITNESS: Well, I once was told that the  
13 secretary decided we should have spaghetti for lunch.  
14 So there's a spaghetti house downstairs from the  
15 office, and she said, "I ordered the lunch for you." I  
16 know she made that decision.

17 Q. (By Mr. Hamilton) Any others?

18 A. Yeah. Made the decision to get newspapers once  
19 in a while.

20 MR. LEVY: You're not serious that you want  
21 every decision that anybody made in the history of the  
22 company no matter how trivial? You can't be serious.

23 MR. HAMILTON: Well, I just want an answer to  
24 my question.

25 MR. LEVY: Your question is unending and

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1 unlimited. It asks for any decision anyone ever made.  
2 His responses before, although they seemed silly, are  
3 absolutely correct responses to your question.

4 MR. HAMILTON: I suggest you limit the  
5 colloquy to objection to the form if you think there's  
6 a problem, Mr. Levy.

7 MR. LEVY: Just trying to move us along.

8 Q. (By Mr. Hamilton) Anyone else other than  
9 Mr. Hananel and the secretary that made decisions for the  
10 branch office in Israel of that company?

11 A. I need a time period and a subject matter.

12 Q. Does it make any difference?

13 A. Sure, it does.

14 Q. Who are the people involved in all of the  
15 decisions there?

16 A. I can't tell you that. I don't know. Besides,  
17 the reason that I can't understand your question, it's  
18 overly broad and impossible to answer. If you want to  
19 rephrase it, I'll give it my best try.

20 Q. How many employees of that company?

21 MR. LEVY: In its history or currently or  
22 when?

23 THE WITNESS: At what time?

24 MR. HAMILTON: At any time.

25 MR. LEVY: I object to the form of the

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1 question.  
 2 Q. (By Mr. Hamilton) Go ahead and answer.  
 3 MR. LEVY: Pick a time and answer.  
 4 THE WITNESS: I'll respond to any time he asks  
 5 me about.  
 6 Q. (By Mr. Hamilton) I asked you the question. How  
 7 many employees at any time in that company?  
 8 A. I can't answer you in the manner in which you  
 9 asked me that question.  
 10 MR. LEVY: Do you mean that company, the  
 11 branch in Israel, the company everywhere, a day?  
 12 Q. (By Mr. Hamilton) Let's start with Mr. Levy's  
 13 question. At the branch in Israel?  
 14 MR. LEVY: On what day?  
 15 THE WITNESS: When?  
 16 MR. HAMILTON: At any time.  
 17 MR. LEVY: But there may be different people  
 18 at different times. What's the point of the question?  
 19 THE WITNESS: I'll give him a range. One to  
 20 three. Maybe -- one, two -- maybe four.  
 21 Q. (By Mr. Hamilton) And some of them --  
 22 A. To the best of my knowledge. It was an  
 23 infinitesimal operation in the scheme of things.  
 24 Q. And some of them at some time were authorized to  
 25 make decisions on behalf of that company?

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1 A. No, they were not. Oh, yes, some of them were.  
 2 Q. Who?  
 3 A. Mr. Farbstein and Mr. Hananel.  
 4 Q. Mr. Raviv ever have that authority?  
 5 A. No.  
 6 Q. Is that branch in Israel existing today?  
 7 A. It's inactive.  
 8 Q. When did it become inactive?  
 9 A. It actually became inactive during Mr. Hananel's  
 10 thing, because he never did anything for it. That's why  
 11 I terminated him, and that's why I stopped the company.  
 12 He didn't do anything for it. That's why he was fired.  
 13 Q. So you stopped the company IPI with the branch  
 14 in Israel in about April of 2000; is that right?  
 15 A. Yeah. No. No. No. Yes. No, actually, in  
 16 practice stopped. In realty, it stopped during his  
 17 tenure.  
 18 Q. But you said you stopped it at some point?  
 19 A. No. No. I didn't say "stop." If I said  
 20 "stop," I closed the office. But I want someplace to go  
 21 to have an office. I like going to an office when I'm in  
 22 a city, and I like a place that has a secretary and I can  
 23 do the work that I'm doing from here at a place somebody  
 24 can call me. I have office machines, like a copier and a  
 25 fax machine and computers.

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1 Q. Everything you need to do business from that  
 2 office; is that right?  
 3 MR. LEVY: Object to the form. Everything?  
 4 THE WITNESS: No, it's not everything I need.  
 5 It's just when I travel, it's convenient to have the  
 6 office equipment there in the event that I need it. I  
 7 like going to an office, and I like sitting in an  
 8 office and answering -- answering a telephone and  
 9 talking to my people in Vegas and in other parts of the  
 10 world. I don't like to sit at home and make those  
 11 calls.  
 12 Q. (By Mr. Hamilton) And Mr. Raviv does not now  
 13 work for IPI's branch in Israel?  
 14 A. No. There's nothing to do. IPI is inactive.  
 15 All it is is only one investment left.  
 16 Q. What's that?  
 17 A. IMD Soft. That's it. You don't need an office  
 18 to run that. I just personally pay all the expenses for  
 19 me to have an office to go to when I go there.  
 20 Q. Who does Mr. Raviv work for now?  
 21 A. He works for one of our companies here in Vegas.  
 22 Q. And he has an office Israel?  
 23 A. He uses my office. I pay the expenses for that  
 24 office.  
 25 Q. What company in Vegas does Mr. Raviv work for

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1 now?  
 2 A. You've asked me that question before. It's the  
 3 same answer.  
 4 MR. LEVY: He doesn't remember.  
 5 THE WITNESS: I don't know which one. We have  
 6 38 companies here. I don't know which one he works  
 7 for.  
 8 Q. (By Mr. Hamilton) Now, let me show you your --  
 9 exhibit -- your affidavit in Israel.  
 10 (Exhibit 5 marked for identification.)  
 11 Q. (By Mr. Hamilton) I ask you to read paragraph --  
 12 well, first, identify -- can you identify your signature  
 13 on the last page of that page 14?  
 14 MR. LEVY: You want your glasses?  
 15 THE WITNESS: I want my glasses. Where is it?  
 16 Q. (By Mr. Hamilton) I'm directing your attention  
 17 to the last page and asking you to identify your  
 18 signature?  
 19 A. Looks like my signature, but it's a copy. I'm  
 20 not really sure.  
 21 Q. Is that an affidavit?  
 22 A. I believe it is my signature, but it's something  
 23 a little unusual about this.  
 24 Q. Is Exhibit 5 the affidavit you filed --  
 25 A. I don't know. I've got to ask my attorney.

27 (Pages 102 to 105)



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1 A. The business of that company was supposed to be  
2 to find high-tech investments in Israel, just like a  
3 venture capital company.  
4 Q. Did it have any other business?  
5 A. No. If I had left it up to Mr. Hananel, we  
6 would have had a hundred businesses, but all unrelated  
7 and not wanted by me to get involved in.  
8 Q. So it's your testimony that IPI, the company  
9 we're calling IPI, the company with the branch in Israel,  
10 never had any business other than high-tech investments?  
11 A. That's correct. Never wanted to have any other  
12 business.  
13 Q. And you made sure of that because you were in  
14 charge of what it invested in; is that right?  
15 A. No. No. Yes, I made the decisions over what it  
16 would invest in.  
17 Q. Do you remember how many times you were in  
18 Israel in 1995?  
19 A. No.  
20 Q. In 1995 -- do you remember any dates in 1995, do  
21 you remember when Mr. Farbstein left?  
22 A. I remember the day I sold my company.  
23 MR. LEVY: That was a good day.  
24 THE WITNESS: That was a great day.  
25 Q. (By Mr. Hamilton) You're talking about April of

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1 '95?  
2 A. Yes.  
3 Q. Do you remember the Jordan Summit, the summit in  
4 Amman?  
5 A. Yes.  
6 Q. Do you remember what month that was?  
7 A. No. I can't remember what year it was while I'm  
8 sitting here.  
9 Q. What were Mr. Farbstein's --  
10 (The witness had an off-the-record discussion  
11 with counsel.)  
12 Q. (By Mr. Hamilton) What were Mr. Farbstein's  
13 duties before he separated from the company?  
14 A. I told you before. You can look at the record.  
15 He was supposed to find high-tech investments.  
16 Q. Had he found any by the time he was separated?  
17 A. High-tech, I think he found one, but that was  
18 before -- before he was officially hired, I think.  
19 Q. What company was that?  
20 A. It was a company that started out another name,  
21 but it ended up with a name called Pegasus.  
22 Q. Pegasus? And how long was that company an  
23 investment of IPI?  
24 A. I'm not sure it was a direct investment of IPI.  
25 It might have been the time before we formed it. I don't

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1 know. I would have to look up the records.  
2 Q. Anything else that he did for -- have you told  
3 me everything that Farbstein did for IPI?  
4 A. No. You didn't ask me that question.  
5 Q. What else did he do for IPI?  
6 A. Whatever he did, he did wrong, too. He started  
7 a company called Auto Depot. And when I found out that  
8 he did that and made commitments to do that, I was very  
9 upset. And I told him that I wanted to pull back and not  
10 go forward with it. It's not what we intended to do.  
11 And he said, "Well, I'm sorry about it." He  
12 said, "I promise you I'll never do it again, but we've  
13 already made commitments, and you don't want to hurt  
14 your reputation." And then I finally agreed that he  
15 could do it.  
16 MR. HAMILTON: Let's change tapes.  
17 (Recess taken at 4:33, resuming at 5:00.)  
18 Q. (By Mr. Hamilton) Mr. Adelson, did Mr. Roberts  
19 have any involvement with the hiring of Mr. Farbstein?  
20 A. As I said before, Mr. Roberts doesn't make --  
21 MR. LEVY: Just answer this specific question.  
22 THE WITNESS: Mr. Farbstein was my  
23 brother-in-law. I didn't need a -- an attorney to  
24 confirm the terms of employment. It's my wife's  
25 brother. I had given him millions so that he could --

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1 millions of dollars so that he could set up -- with  
2 dignity, he could set up an operation in Israel, which  
3 is what he wanted to do. And he wanted to put into  
4 effect what he learned in our company in Boston.  
5 Q. (By Mr. Hamilton) So no involvement by  
6 Mr. Roberts?  
7 A. Not to my knowledge.  
8 Q. And what about the hiring of Mr. Melnik, any  
9 involvement?  
10 A. Mr. Melnik worked for Mr. Farbstein. I don't  
11 normally get involved at a level beyond those people that  
12 normally would report to me.  
13 Q. And at some point Mr. Hananel became branch  
14 manager in Israel for IPI; is that right?  
15 A. Yes.  
16 Q. And did he --  
17 A. I don't know if his title was branch manager.  
18 Whatever phase we had there, he said he would handle it  
19 and he would spend his full time looking for high-tech  
20 investments.  
21 Q. Did he have the same duties and responsibilities  
22 as Mr. Farbstein?  
23 A. Essentially. You've got to understand, this was  
24 a company, if you could call it that, with one to three  
25 employees or three or four employees. It was not a

39 (Pages 150 to 153)

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1 "manage"?

2 Q. The reason you can't answer my question is

3 because you don't have a clear understanding of what the

4 word "manage" means?

5 A. That's correct.

6 Q. Have you ever managed any investments anywhere

7 at any time?

8 MR. LEVY: Object to the form.

9 THE WITNESS: Again, I don't know what you

10 mean "manage." If you'd just explain to me what you

11 mean, I'll tell you. I'm not trying to -- to escape

12 answering the question. Tell me what you mean "manage

13 an investment." What does that mean?

14 MR. LEVY: Just help him out, tell him what

15 functions you have in mind.

16 Q. (By Mr. Hamilton) Can you tell me what -- do you

17 ever use the phrase "manage an investment"?

18 MR. LEVY: It's like a battle of the wills

19 here. Tell him what functions you have in mind.

20 THE WITNESS: I never asked Mr. -- I'm not

21 going to say that. I can't answer the question in

22 which you asked it.

23 Q. (By Mr. Hamilton) The question is did you ask

24 anyone other than Mr. Hananel to manage any investments?

25 A. I'm sorry, I can't answer the question. Give me

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1 the -- give me the so-called investment and give me

2 the -- the time frame and explain the word "manage." You

3 can put anything under the concept of management.

4 If I say to somebody, "Transfer -- do me a

5 favor. Call the bank and transfer some money or go

6 take -- I got a check in, take it and put it in the

7 bank," somebody could interpret that as managing

8 something. I wouldn't interpret that as managing

9 something. So I need to know how you use the word

10 "management."

11 Q. Have you ever managed --

12 A. So limited. This was such a minuscule portion

13 of my life that it's very difficult to -- to answer the

14 questions the way you ask them.

15 Q. Have you ever managed any investments?

16 MR. LEVY: I object to the form.

17 THE WITNESS: I'm sorry, I can't answer if you

18 don't explain what the word "manage" means.

19 Q. (By Mr. Hamilton) Have you ever used the word

20 "manage" with respect to investments?

21 MR. LEVY: Can I just ask this question? Why

22 are you involved in this battle of wills? Do you mean

23 "manage" like a money manager, manager of a store? Do

24 you mean "manage" like I can manage to do something?

25 Why is it so difficult for you to come up with a

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1 synonym or give him the functions you have in mind?

2 THE WITNESS: Because he doesn't understand

3 himself.

4 MR. LEVY: That's the question. Why are you

5 making it so difficult for yourself? He's ready to

6 answer the question. Use a different word.

7 MR. HAMILTON: Mr. Levy, I prefer if you have

8 an objection to the form of the question, maybe just

9 limit yourself to that.

10 MR. LEVY: It's very aggravating.

11 Q. (By Mr. Hamilton) Can you answer my question,

12 please, Mr. Adelson?

13 A. No, I can't answer.

14 MR. LEVY: He can't answer your question, and

15 you refuse to change the question to, perhaps, get an

16 answer.

17 THE WITNESS: You don't clarify.

18 Q. (By Mr. Hamilton) Did you ever exert any

19 influence over any investments?

20 A. Of course I do.

21 Q. Did Mr. Hananel ever exert any influence over

22 any of your personal investments in Israel?

23 A. No. No.

24 Q. Did anyone other than that Hananel --

25 A. First of all --

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1 Q. Let me finish the question, please. Did

2 anyone --

3 A. I will no longer answer any question that has

4 the word "manage" in it unless you ask me specifically,

5 give me the time frame, give me the so-called investment.

6 Q. Did anyone other than Mr. Hananel ever exert any

7 influence over any of your personal investments in Israel

8 at any time?

9 A. You have to give me a time frame and give me an

10 investment.

11 MR. LEVY: You haven't established that he

12 made personal investments in Israel. I keep objecting,

13 objecting, objecting, but you never let me say why, but

14 I'm going to tell you, because we haven't established

15 that he had any personal investments in Israel.

16 Q. (By Mr. Hamilton) Are you confident that you've

17 never had any personal investments in Israel,

18 Mr. Adelson?

19 A. You didn't ask me that. Ask me if I have any

20 personal investments.

21 Q. Have you any personal investments in Israel?

22 A. To the best of my knowledge and to the best of

23 my professional judgment, the answer is no, beside what

24 IPI did.

25 Q. And with that qualification, have you ever had

43 (Pages 166 to 169)



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1 anyone besides Mr. Hananel exert any influence over any  
 2 investments?  
 3 A. I just told you, I didn't make any investments.  
 4 Why are you asking me about investments?  
 5 Q. Well, you told me you made some -- that what IPI  
 6 did was an investment?  
 7 A. Yes.  
 8 Q. Did anyone besides Mr. Hananel exert any  
 9 influence over IPI's investments?  
 10 A. No. Well, except for the Auto Depot.  
 11 Q. Who was that?  
 12 A. Farbstein and Melnik.  
 13 MR. LEVY: I think he described this before.  
 14 Q. (By Mr. Hamilton) Any other persons?  
 15 A. No. By the way, what do you mean by  
 16 "influence"? Influence to be able to go and get a cup of  
 17 coffee or influence to force them to make business  
 18 decisions that somebody else wanted?  
 19 Q. How did Mr. Hananel's firing occur?  
 20 A. How did it occur? Can you sort of explain that?  
 21 Q. Sure. When did it occur?  
 22 A. In October 9th -- I think it was October 9th or  
 23 thereabouts in '95.  
 24 MR. LEVY: No. No. Did you say firing or  
 25 hiring?

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1 MR. HAMILTON: Hiring.  
 2 MR. LEVY: Sorry. I lost the question.  
 3 THE WITNESS: He approached me and said --  
 4 MR. LEVY: You did say "firing" by the way.  
 5 MR. HAMILTON: Hang on.  
 6 MR. LEVY: You did say "firing."  
 7 THE WITNESS: Excuse me. Mr. Court Reporter,  
 8 did he say firing or hiring?  
 9 THE REPORTER: I got "firing."  
 10 Q. (By Mr. Hamilton) And then you mentioned  
 11 October 9, 1995.  
 12 MR. LEVY: We're completely confused.  
 13 Q. (By Mr. Hamilton) Let me ask the question. I'll  
 14 ask both questions.  
 15 MR. LEVY: Which one do you want?  
 16 Q. (By Mr. Hamilton) When was the firing of  
 17 Mr. Hananel?  
 18 A. April -- beginning of April of '99 -- of 2000.  
 19 Q. Where did it take place?  
 20 A. Frankly, I don't remember. It was either by  
 21 telephone or in person. I don't -- I didn't look up the  
 22 flight schedule to see whether or not I was even there  
 23 about that time.  
 24 Q. I'm sorry, you did or didn't?  
 25 A. I did not. I fired him.

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1 Q. And that was -- but it was in a conversation,  
 2 you spoke to Mr. Hananel and told him he was fired?  
 3 A. Is there any other way?  
 4 Q. Well, could you answer yes or no, please?  
 5 A. Yes, it was through conversation.  
 6 MR. LEVY: Give him a pink slip.  
 7 THE WITNESS: Semaphore. You know how they do  
 8 on boats? They do that.  
 9 Q. (By Mr. Hamilton) Do you recall that it was in a  
 10 restaurant in Tel Aviv?  
 11 A. No. I wouldn't fire somebody in a restaurant.  
 12 It's not my style. I would get somebody along to do a  
 13 confidential, out of the ears of anybody else, hoping not  
 14 to embarrass the subject.  
 15 Q. And that's what happened in Mr. Hananel's case?  
 16 A. I talked to him. I didn't discuss it in a  
 17 restaurant.  
 18 Q. And you did it in confidence? I'm sorry, I just  
 19 wanted to know. You said your policy. Did you follow  
 20 that policy of speaking with him confidentially in order  
 21 not to embarrass him?  
 22 A. That's correct.  
 23 Q. Do you have any memory of events in the period  
 24 of August to December 1995 independent of documents?  
 25 A. What -- what subject matter?

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1 Q. Events in Israel.  
 2 A. No, you have to be much more specific. I know I  
 3 woke up in the morning. I know I got dressed. I know I  
 4 showered and shaved. Tell me what you're talking about.  
 5 MR. LEVY: He's talking about Itzhak Rabin was  
 6 assassinated then, but we're sure that's not the event  
 7 you have in mind.  
 8 THE WITNESS: Tell me what you have in mind.  
 9 Q. (By Mr. Hamilton) My question, Mr. Adelson, is  
 10 do you have any independent memory today as you sit here  
 11 without looking at documents of any events that occurred  
 12 between August 1, 1995, and December 31, 1995?  
 13 A. I used to go out -- when I was in Israel, I used  
 14 to go out every night and walk five and a half, six  
 15 miles. I know that the month of August was terribly,  
 16 terribly humid and terribly hot. I do remember that.  
 17 Q. Anything else?  
 18 A. Let me think. I do remember I had discussions  
 19 with -- with David Farbstein, my brother-in-law, about  
 20 his position in the company, in IPI. And since he was my  
 21 brother-in-law, that subject and those conversations went  
 22 on for a long time.  
 23 And then I remember that in that period, Moshe  
 24 Hananel approached me to take Farbstein's place saying  
 25 he was selling the family business of Galilee Tours,

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1 A. The business of that company was supposed to be  
2 to find high-tech investments in Israel, just like a  
3 venture capital company.

4 Q. Did it have any other business?

5 A. No. If I had left it up to Mr. Hananel, we  
6 would have had a hundred businesses, but all unrelated  
7 and not wanted by me to get involved in.

8 Q. So it's your testimony that IPI, the company  
9 we're calling IPI, the company with the branch in Israel,  
10 never had any business other than high-tech investments?

11 A. That's correct. Never wanted to have any other  
12 business.

13 Q. And you made sure of that because you were in  
14 charge of what it invested in; is that right?

15 A. No. No. Yes, I made the decisions over what it  
16 would invest in.

17 Q. Do you remember how many times you were in  
18 Israel in 1995?

19 A. No.

20 Q. In 1995 -- do you remember any dates in 1995, do  
21 you remember when Mr. Farbstein left?

22 A. I remember the day I sold my company.

23 MR. LEVY: That was a good day.

24 THE WITNESS: That was a great day.

25 Q. (By Mr. Hamilton) You're talking about April of

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1 know. I would have to look up the records.

2 Q. Anything else that he did for -- have you told  
3 me everything that Farbstein did for IPI?

4 A. No. You didn't ask me that question.

5 Q. What else did he do for IPI?

6 A. Whatever he did, he did wrong, too. He started  
7 a company called Auto Depot. And when I found out that  
8 he did that and made commitments to do that, I was very  
9 upset. And I told him that I wanted to pull back and not  
10 go forward with it. It's not what we intended to do.

11 And he said, "Well, I'm sorry about it." He  
12 said, "I promise you I'll never do it again, but we've  
13 already made commitments, and you don't want to hurt  
14 your reputation." And then I finally agreed that he  
15 could do it.

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19 have any involvement with the hiring of Mr. Farbstein?

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22 THE WITNESS: Mr. Farbstein was my  
23 brother-in-law. I didn't need a -- an attorney to  
24 confirm the terms of employment. It's my wife's  
25 brother. I had given him millions so that he could --

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1 '95?

2 A. Yes.

3 Q. Do you remember the Jordan Summit, the summit in  
4 Amman?

5 A. Yes.

6 Q. Do you remember what month that was?

7 A. No. I can't remember what year it was while I'm  
8 sitting here.

9 Q. What were Mr. Farbstein's --

10 (The witness had an off-the-record discussion  
11 with counsel.)

12 Q. (By Mr. Hamilton) What were Mr. Farbstein's  
13 duties before he separated from the company?

14 A. I told you before. You can look at the record.  
15 He was supposed to find high-tech investments.

16 Q. Had he found any by the time he was separated?

17 A. High-tech, I think he found one, but that was  
18 before -- before he was officially hired, I think.

19 Q. What company was that?

20 A. It was a company that started out another name,  
21 but it ended up with a name called Pegasus.

22 Q. Pegasus? And how long was that company an  
23 investment of IPI?

24 A. I'm not sure it was a direct investment of IPI.

25 It might have been the time before we formed it. I don't

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1 millions of dollars so that he could set up -- with  
2 dignity, he could set up an operation in Israel, which  
3 is what he wanted to do. And he wanted to put into  
4 effect what he learned in our company in Boston.

5 Q. (By Mr. Hamilton) So no involvement by  
6 Mr. Roberts?

7 A. Not to my knowledge.

8 Q. And what about the hiring of Mr. Melnik, any  
9 involvement?

10 A. Mr. Melnik worked for Mr. Farbstein. I don't  
11 normally get involved at a level beyond those people that  
12 normally would report to me.

13 Q. And at some point Mr. Hananel became branch  
14 manager in Israel for IPI; is that right?

15 A. Yes.

16 Q. And did he --

17 A. I don't know if his title was branch manager.  
18 Whatever phase we had there, he said he would handle it  
19 and he would spend his full time looking for high-tech  
20 investments.

21 Q. Did he have the same duties and responsibilities  
22 as Mr. Farbstein?

23 A. Essentially. You've got to understand, this was  
24 a company, if you could call it that, with one to three  
25 employees or three or four employees. It was not a

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<p>1 company with 10,000 employees.  2 It was not a company that had operating  3 businesses where there are thousands of employees  4 hired, inventory acquired. It was just an investment  5 vehicle to go ahead and find in the Halcyon days of  6 high-tech development in the state of Israel, it was  7 Teddy Farbstein's idea to capitalize on all the  8 high-tech contacts that we had because of Comdex. I  9 didn't need another business. It was just a minor,  10 minuscule thing to me.  11 Q. Did you discuss investments in Dunhill with  12 Mr. Hananel?  13 A. What the heck is Dunhill?  14 Q. The international retail company for cigarette  15 lighters and pipes?  16 MRS. HANANEL: No. No. No.  17 THE WITNESS: No.  18 Q. (By Mr. Hamilton) The company that supplied --  19 the company that supplied marble for the Venetian?  20 A. They didn't supply marble for the Venetian.  21 Hold on one second.  22 Q. No. No. If you could answer my question.  23 MR. LEVY: Don't set him straight. Just  24 answer the question.  25 MR. HAMILTON: Thank you. Appreciate it.</p>	<p>1 Q. What about did you ever discuss --  2 A. All of these things were thrown at me by the  3 Israeli Export Institute or by others that we inquired  4 about to look for -- to look for products any Israeli  5 could buy. I'm a Zionist. A Zionist is somebody who  6 believes in the homeland for the Jewish people, and I  7 believe in that. I tried everything I could to do  8 business.  9 As it turned out, I looked at several  10 different things. I looked at carpet, I looked at  11 marble, I looked at glass, and the only thing I ever  12 got out of it was the parent company, the glass  13 company, is in the States and we did business with  14 them.  15 It never paid to buy anything from Israel,  16 because, first of all, it was very difficult to do  17 business with Israelies. Secondly, the cost of  18 transportation for 8,000 miles made it impractical and  19 not cost efficient. Why was I interested in buying? I  20 wasn't interested in that.  21 Q. What about the Sport Mart?  22 MR. LEVY: Let me say something for the  23 record. Just for the record, I know you're getting  24 these questions from Mrs. Hananel, and she wants you to  25 ask them. Just for the record, I want to note that we</p>
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<p>1 THE WITNESS: Ask the question again.  2 Q. (By Mr. Hamilton) Did you ever discuss an  3 investment in Israel with respect to the company Dunhill?  4 A. No.  5 Q. What about --  6 A. If that's the name of the company that had a  7 bicycle company and a marble company, I was never  8 intended -- I was looking for suppliers in Israel to  9 supply, because it's one of my Zionist things that I do.  10 Q. What about Carmel Carpets?  11 A. Never.  12 Q. Never -- never considered --  13 A. Never. Never. Never.  14 MR. LEVY: You're talking about an investment  15 in Carmel Carpets?  16 THE WITNESS: Never.  17 MR. LEVY: I just wanted to make sure that  18 he's answering the question.  19 THE WITNESS: Investments. Never. Never.  20 Never.  21 Q. (By Mr. Hamilton) Through IPI?  22 A. Never.  23 Q. Ever have any discussions --  24 A. No interest in investing in marble companies, no  25 interest in investing in carpet companies, none of that.</p>	<p>1 are here to -- on a deposition on an issue relating to  2 jurisdiction in Massachusetts. I'm not sure what this  3 has to do with it.  4 THE WITNESS: I don't think one question --  5 MR. LEVY: Nevertheless, ask these questions,  6 and I'm just going to note my objection for the record.  7 And my objection for the record, also, is that I feel  8 to the extent you ask these questions that in my mind  9 have nothing to do with jurisdiction, when I go to ask  10 Mr. Hananel questions, that you've opened the door to  11 areas that I would have normally thought had nothing to  12 do with jurisdiction, may go to the merits of the case,  13 and I feel free to ask questions about the merits of  14 the case. Do these --  15 MR. HAMILTON: I'll accept that as a  16 stipulation.  17 MR. LEVY: I'm not stipulating.  18 MR. HAMILTON: Okay.  19 MR. LEVY: You keep wanting me to stipulate.  20 THE WITNESS: You can stipulate that he's  21 asking these questions. You can ask Hananel these  22 questions.  23 MR. HAMILTON: No, it's the question about  24 whether they relate to the case or not.  25 MR. LEVY: No.</p>

40 (Pages 154 to 157)